



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

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For Information Contact:

Public Affairs

(202) 252-6933

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Second Defendant Pleads Guilty in Check-Kiting Scheme That Cheated Banks Out of More Than \$188,000 - He and Others Opened Fraudulent Accounts, Targeting at Least Nine Banks -

WASHINGTON - Ernesto Gonzalez Morales, 34, of Rockville, Maryland, pled guilty today to a federal charge stemming from his role in a conspiracy to defraud financial institutions of more than \$188,000, announced U.S. Attorney Ronald C. Machen Jr. and Daniel S. Cortez, Inspector in Charge of the Washington Division of the U.S. Postal Inspection Service.

Morales pled guilty this afternoon before Magistrate Judge Alan Kay in the U.S. District Court for the District of Columbia to a charge of conspiracy to commit bank fraud. He will be sentenced by the Honorable Emmett G. Sullivan. A date has not yet been set. Under federal sentencing guidelines, Morales faces a likely sentence between 21 and 27 months in prison and a fine of up to \$50,000.

Under the plea agreement, the defendant also agreed to the forfeiture of \$188,963, representing the actual proceeds of the scheme. He also will forfeit \$3,487 in cash that was seized in a search during the investigation of the case.

A co-defendant, Fernando Manuel Cal Denis, 32, also of Rockville, pled guilty earlier this month to conspiracy to commit bank fraud and is awaiting sentencing on November 17, 2011.

According to evidence presented to the court by Assistant U.S. Attorney Sherri L. Schornstein, Morales, Cal Denis and others conspired from June 2009 to June 2011 to carry out a check-kiting scheme that targeted at least nine banks in the District of Columbia and elsewhere. He and Cal Denis opened the accounts by presenting Mexican passports using a variety of names, as well as Articles of Organization for purported businesses. Once these accounts were opened, he and Cal Denis made a series of fraudulent deposits and transactions. The scheme involved nearly \$400,000 in financial transactions, with four banks actually losing the \$188,963.

In announcing the guilty plea, U.S. Attorney Machen and Inspector in Charge Cortez praised Special Agent Christopher Saunders of the U.S. Postal Inspection Service, who investigated the

case. They also acknowledged the efforts of those who worked on the case for the U.S. Attorney's Office, including Legal Assistant Jared Forney, as well as Assistant U.S. Attorneys Sherri L. Schornstein, who is prosecuting the case, and Anthony Saler, of the Asset Forfeiture and Money Laundering Section, who assisted with forfeiture issues.

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